

DECLARATION OF DIANA JESSUP LEE

I, DIANA JESSUP LEE, declare as follows:

1. I am an attorney duly licensed to practice law in the State of California. I am outside counsel for Santa Barbara Bank & Trust, N.A. ("SBBT") and in that capacity the Protected Persons in this Petition. I have personal knowledge of the matters set forth below, except as to matters stated on information and belief, and as to those matters I believe them to be true.

2. I have reviewed the email communications from Mr. Bookout to the Protected Persons since December 2010. Those communications are in excess of 200. Attached hereto and incorporated herein as Exhibit H are true and correct copies of a representative sampling of Mr. Bookout's communications to the Protected Persons. If the Court would like to see all of Mr. Bookout's communications, I will provide them. However, in deference to the Court's filing system, I attached only a representative sampling of his communications.

3. Attached hereto and incorporated herein as Exhibit B are true and correct copies of emails I sent to Mr. Bookout advising him that I am outside counsel for SBBT and that I am to be his sole point of contact with SBBT on matters related to his loan or his dispute. In these letters I also demand that Mr. Bookout cease all contact with any SBBT employees, officers and directors.

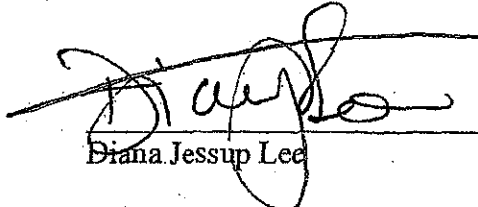
4. After participating in a full day of mediation with Mr. Bookout on May 6, 2011, I sent Mr. Bookout a letter with additional information that he had requested during the mediation. A true and correct copy of this letter is attached as Exhibit E and incorporated herein.

5. After Mr. Bookout refused to cease his contact with SBBT employees, officers and directors despite numerous requests to do so, on May 19, 2011, I wrote to Mr. Bookout explaining that his emails and other communications constitute harassment because they are annoying, alarming and serve no legitimate purpose. I also explained that as a result of his irrational and harassing conduct some employees have become frightened and concerned that he could escalate to violence. In that letter I again answered his most repeated questions, and warned him that if he contacts any SBBT employees, officers or directors, I will seek a restraining order against you. A true and correct copy of my May 19, 2011 letter is attached as Exhibit F and incorporated herein. Unfortunately, Mr. Bookout

1 has disregarded all requests for him to stop harassing SBBT employees, officers and directors, making
2 this request for a restraining order necessary.

3 I declare under penalty of perjury under the laws of the State of California that the foregoing is
4 true and correct.

5 Dated: June 3, 2011

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8 Diana Jessup Lee
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ROBERT B. FOROUZANDEH
ALAN A. LANIS, JR.

May 19, 2011

Mr. William Bookout
Pismo Beach Dive Shop
470 Price Street
Pismo Beach, CA 93449

Re: Bookout Loan

Dear Mr. Bookout:

As you know, I represent Pacific Capital Bank, N.A. ("PCB") and have been designated by PCB as its representative for all communications with you, and in particular, for all issues related to your outstanding and seriously past due Small Business Administration Loan.

Since June, 2007, George Lazar, Christine Sontag, other PCB employees and I have repeatedly instructed you to direct all communications initially to George Lazar and subsequently to me. We have repeatedly demanded that you cease all further contact and communications with PCB employees, officers and directors, because the volume (multiple hundreds) and nature of your communications are threatening and harassing. Despite occasional agreement to these demands, you refuse to comply with these demands, and you exhibit an uncontrolled obsession with attacking PCB employees and blaming them for your various misfortunes in life. Because of the aggressive and irrational nature of your communications, all PCB employees, officers and directors have been instructed not to engage with you, and you have been advised in writing that their failure to respond to your communications cannot be construed as agreement with any of your characterizations, but rather reflects PCB's designation of me as the single source of all communications with you. For the record, PCB disagrees with your characterization of events and facts.

Your daily barrage of emails, telephone calls, voicemails and letters to PCB employees, officers and directors is annoying, alarming, serves no legitimate purpose and constitutes harassment. Your false accusations and conspiracy theories distract PCB employees from performing their work, and have become so irrational and harassing that they frighten some employees, who are alarmed and concerned about what you might do next and whether you might physically harm them.

In this letter I again answer your most repeated questions, and warn you that if you contact any PCB employees, officers or directors, I will seek a restraining order against you. If we are forced to

obtain a restraining order against you, we will be entitled to recover the attorneys fees and costs incurred in taking such action. To the extent you have any legitimate questions or concerns, please direct them to me. Rest assured that I have full access to PCB officials and information, and I can provide you with any information to which you are entitled.

In an effort to assuage your compulsion to send repeated emails, I again provide you with the following answers to your questions:

1. **Your question:** "How did Pacific Capital Bank come up with a loan debt of \$465,195.50 [and monthly payment amount of \$4,055.30] on July 6, 2007 per Pacific Capital Banks amortization schedule # 1 prepared by Pacific Capital Bank attached above, dated May 5, 2011?"

Answer: As of May 6, 2006, the principal balance due on your loan was \$420,024.30. (See enclosed Payment Notice dated June 23, 2006.) After May 6, 2006, you failed to make any payments on the loan until the Forbearance Agreement was entered into on or around July 6, 2007. As of July 6, 2007, your account was \$67,445.66 past due as a result of your failure to make the prior 15 months of payments. Due to the variable interest rate on your loan, the payments owed for those 15 months were as follows: May and June 2006: \$4,386.41 each; July 2006: \$4,467.40; August 2006 through July 2007 (12 payments): \$4,517.12 each. Thus, as of July 6, 2007 and prior to executing the Forbearance Agreement, the total amount of principal and interest you owed (not including late fees, attorneys fees and other costs that PCB is entitled to charge you pursuant to the SBA loan) was \$487,469.96. Pursuant to the terms of the Forbearance Agreement, you paid \$22,274.46 to satisfy the May 2006 through September 2006 payments, and the remainder of your past due payments (\$45,171.20) were amortized over the remaining life of the loan. Therefore, subtracting \$22,274.46 from \$487,469.96 results in a total of \$465,195.50, which when amortized at 6% over 171 payments yields a monthly payment of \$4,055.30. Let me repeat, this amount does not include any late fees, attorneys fees or any other charges other than principal and interest.

2. Your statements to the effect that PCB has admitted grand theft or any other wrongdoing by virtue of providing you with Schedule 2 are categorically untrue. PCB's decision to provide you with an alternate application of payments in a manner that extends benefits to you that you would not otherwise be entitled to (i.e., Schedule 2), was done in a good faith effort to resolve your disputes. PCB reserves the right to withdraw Schedule 2 at its discretion at any time.
3. **Your question:** "How did PCB come up with the 10 deferred payments from May 5, 2006 to July 6, 2007 of \$67,445.66?"

Answer: When the Forbearance Agreement was executed, you had missed 15 payments totaling \$67,445.66, as explained above. Pursuant to the Forbearance Agreement, your payment of \$22,274.46 was applied to the first five (May 2006—September 2006) of those 15 missed payments with the remaining 10 "deferred" payments (October 2006—July 2007) amortized over the remaining life of the loan. Thus, Schedule 1 states that the deferred

payments were \$67,445.66, and then credits your payment of \$22,274.46, resulting in a balance of deferred payments of \$45,171.20 (which is the same amount arrived at by multiplying the then-monthly payment amount of \$4,517.12 by 10 for each month not paid). The principal and interest payments for October 2006 through July 2007 were \$4,517.12 based on the 10.25% interest rate that applied to your loan at that time (the Prime Rate during that period was 8.25%). Pursuant to the Forbearance Agreement, the deferred payment amount of \$45,171.20 was accelerated and became immediately payable in full within 15 days, when you defaulted on the Forbearance Agreement. Thus, the principal balance of \$420,024.30 plus \$45,171.20 in deferred payments equals \$465,195.50. Furthermore, the immediately due and payable \$45,171.20 amount will be included as part of your default in any future Notice of Default.

4. **Your question:** "George C. Lazar claimed in an NOD Account email on January 25, 2011 that, Pacific Capital Bank was owed 10 deferred payments and interest from 10/2006 - 7/2007 of \$37,801.09. How did Pacific Capital Bank come up with an additional \$27,394.41 owed in Pacific Capital Banks Amortization Schedule # 1 prepared on May 5, 2011?"

Answer: The \$37,801.09 amount in George Lazar's January 25, 2011 email referred only to the interest owed on the 10 remaining payments (October 2006—July 2007). The \$67,445.66 figure represents the past due principal and interest for all 15 of your missed payments prior to execution of the Forbearance Agreement. As stated above, in calculating Schedule 1, \$22,274.46 was subtracted from \$67,445.66 as stated in the Forbearance Agreement.

I trust this helps resolves your concerns. As stated previously, I remain interested in discussing legitimate solutions to your concerns. You may write or call me. Do not, however, contact or communicate with any PCB employees, officers or directors. This prohibition includes not copying any PCB employees, officers or directors on any communication to me or anyone else. Your failure to abide by these demands will result in me taking immediate steps to obtain a restraining order against you.

Sincerely,

REICKER, PFAU, PYLE & McROY LLP

By 
Diana Jessup Bee

DJL/mjb
Enclosure

1 DECLARATION OF CHRISTINE SONTAG

2 I, CHRISTINE SONTAG, declare as follows:

3 1. I am the Senior Vice President and Senior Associate General Counsel of Santa Barbara
4 Bank & Trust, N.A. ("SBBT"). I am the Petitioner in this action. I have personal knowledge of the
5 matters set forth below, except as to matters stated on information and belief, and as to those matters I
6 believe them to be true.

7 2. Attached hereto as Exhibit A are true and correct copies of letters sent by SBBT's
8 outside counsel George Lazar to Respondent William Bookout stating that Mr. Lazar was to be Mr.
9 Bookout's sole point of contact at SBBT and that Mr. Bookout was not to contact any of SBBT's
10 employees, officers or directors on any matters related to his Small Business Administration loan with
11 SBBT.

12 3. Since December 2010, the vast majority of employees, officers and directors of SBBT
13 that Mr. Bookout has contacted regarding his loan have no involvement with the processing of his
14 loan. Furthermore, other than Sandra Sheffield, none of the employees, officers or directors of SBBT
15 contacted by Mr. Bookout are part of SBBT's Small Business Administration lending department
16 which was tasked with handling Mr. Bookout's loan.

17 4. Since December 15, 2010, all of the communications Mr. Bookout sent directly to
18 employees, officer and directors of SBBT have been unwelcome, annoying and have harassed those
19 individuals who have been the target of Mr. Bookout's actions. At all times since December 15, 2010,
20 SBBT has made it clear to Mr. Bookout that any communications regarding his loan were to be
21 directed to either Mr. Lazar or Ms. Lee.

22 5. Attached hereto as Exhibit C are true and correct copies of emails sent to me by
23 employees of SBBT memorializing telephone calls received by those employees from Mr. Bookout in
24 which those employees directed Mr. Bookout to contact SBBT's outside counsel and asked that he
25 cease all contact with any SBBT employee, officer or director.

26 6. Attached hereto as Exhibit D are true and correct copies of several communications I
27 sent directly to Mr. Bookout advising him that all communications regarding his loan were to be
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1 directed to Ms. Lee and that he was to cease contacting any SBBT employees, officers or directors on
2 matters related to his loan.

3 7. After nearly five months of continuous harassment on the part of Mr. Bookout and a
4 refusal by him to only direct his communications to SBBT's outside counsel, the additional Protected
5 Persons (identified in this Request) began contacting me and complaining that Mr. Bookout's ongoing
6 harassment was distracting them and preventing them from carrying out their day-to-day work tasks.
7 Based upon my review of the communications traffic from Mr. Bookout to these individuals and the
8 amount of time they spent reporting these communications, I agreed with their concerns. Some of the
9 Protected Persons also expressed their concern that Mr. Bookout's tone is becoming more desperate
10 and, as a result, more alarming to them because they are concerned that he may resort to violence or
11 other drastic measures if his demands are not met.

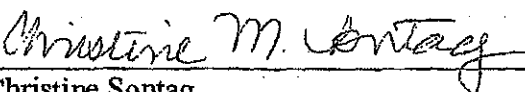
12 8. Mr. Bookout's communications to me have been annoying and have simply harassed
13 me. Mr. Bookout's conduct and his communications to me have distracted me from my job tasks and
14 have prevented me from carrying out my day-to-day work tasks.

15 9. Attached hereto as Exhibit G are true and correct copies of the communications Mr.
16 Bookout sent to me and the other Protected Persons after he received the cease and desist letter from
17 Ms. Lee on May 19, 2011.

18 10. Attached hereto as Exhibit H is a sampling of the over 200 emails, letters and
19 telephone calls which Mr. Bookout transmitted to me and the other Protected Persons since December
20 2010. Portions of the produced communications were redacted to avoid duplication and to save the
21 Court's time. The entirety of the communications sent by Mr. Bookout have not been produced in
22 deference to the Court's filing system.

23 I declare under penalty of perjury under the laws of the State of California that the foregoing is
24 true and correct.

25 Dated: June 3, 2011

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28 Christine Sontag